

Message Text

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11

ACTION ARA-20

INFO OCT-01 ADP-00 L-03 H-03 CIAE-00 INR-10 NSAE-00 PA-03

RSC-01 USIA-12 PRS-01 EB-11 AGR-20 COME-00 TRSE-00

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----- 088000

R 141544Z JUL 73

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 6305

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E.O. 11652: N/A

TAGS: EFIS, EIND, PE

SUBJ: FURTHER REPORT ON EVALUATION FISHMEAL COMPANIES

REFS: LIMA 4932 AND PREVIOUS

1. PRELIMINARY REACTION BY SEVERAL U.S. FISHMEAL FIRMS TO MINISTERIAL RESOLUTION SETTING FORTH EVALUATION PROCEDURES FOR THEIR ASSETS IS GUARDED BUT SOMEWHAT OPTIMISTIC. FIRST, ROUGH CALCULATIONS MADE BY FISHMEAL COMPANIES USING OWN FIGURES INDICATE THAT AVERAGE PRICE FOR FISHMEAL STOCK MAY BE ABOUT \$300 A TON. THIS FIGURE IF CORRECT WOULD BE SUBSTANTIALLY MORE THAN THE PRODUCTION PRICE WHICH THE FIRMS HAVE FEARED WOULD BE USED BY GOP.

2. FIRMS INDICATE THAT GOVERNMENT-APPROVED ACCOUNTING FIRMS WILL BEGIN EVALUATIONS NEXT WEEK AND UNDERSTAND EVALUATIONS ARE TO BE COMPLETED BY SEPTEMBER 1.

3. MINISTERIAL RESOLUTION (SEE REFTTEL) DIVIDED FISHMEAL STOCK INTO DOMESTIC AND FOREIGN CATEGORIES (A) STOCK DESTINED FOR DOMESTIC MARKET "WILL BE EVALUATED AT FIXED SALE PRICE IN THIS MARKET" BUT THE SPECIFIC DATE AS BENCHMARK IS NOT SPECIFIED IN RESOLUTION. ONE FISHMEAL REPRESENTATIVE INDICATES PRECISE DATE IMPORTANT IN THIS CONTEXT BECAUSE LOCAL FISHMEAL

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PRICE VARIED CONSIDERABLY BETWEEN SEPTEMBER AND DECEMBER 1972.

PRICE FOR DOMESTIC FISHMEAL STOCK ESTABLISHED BY FOREGOING
FORMULA WILL HAVE SMALL EPCHAP (STATE FISHMEAL TRADE COMPANY)
COMMISSION AND SALES TAXES DEDUCTED; (B) REGARDING EXPORT
TONNAGE RESOLUTION SETS FORTH THREE CRITERIA: FIRST, 30
PERCENT OF TONNAGE AT THE AVERAGE PRICE OF SALES COMMITMENTS
FOR EXPORT MADE BEFORE SEPTEMBER 30, 1972 FOR WHICH SALE
PENDING ON MAY 7, 1973; THE REMAINING 70 PERCENT WILL BE
EVALUATED USING, FIRST, THE AVERAGE PRICE OF THE EXPORT TON-
NAGE FOR WHICH SALES COMMITMENTS MADE FROM OCTOBER 1, 1972,
UNTIL MAY 7, 1973, WHOSE SALE PENDING THAT DATE, AND SECOND,
THE AVERAGE PRICE ON MAY 7, 1973, PREVAILING ON THE BALANCE
OF STOCK DESTINED FOR EXPORT BUT NOT COMMITTED FOR SALE ON
THAT DATE. FROM FINAL EXPORT TONNAGE PRICE, GOP WILL DEDUCT
NOMINAL EPCHAP COMMISSION, SALES TAXES, AND SHIPPING COSTS.

4. WE UNDERSTAND THAT LOCAL U.S. FISHMEAL REPRESENTATIVES
PLANNING MEETING AMONG THEMSELVES EARLY NEXT WEEK, AFTER WHICH
WE WILL REPORT THEIR FUTURE REACTIONS AND CALCULATIONS.
LIMITED, LOW KEY, AND FACTUAL COVERAGE IN JUNE 13 PRESS.
BELCHER

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